

Los Alamos National Laboratory — Supplemental Instructions

Section: 8 Required Sources of Supply

Subject: 8.6 Precious Metals

PURPOSE:	This Supplemental Instruction (SI) is to describe the procedures for ordering products containing precious metals.
POLICY:	The Laboratory shall ensure that subcontracts involving precious metals provide for proper control, protection, and accountability.
SCOPE:	This SI applies to all subcontracts which involve the use of Laboratory-furnished precious metals or the purchase of precious metals.
DEFINITIONS:	
DOE Precious Metal Program	The DOE Precious Metal Program recovers DOE-owned precious metals from scrap and makes the metals available to DOE contractors at a minimum cost. Martin Marietta Energy Systems, Inc. at Oak Ridge, Tennessee currently manages the program.
Precious Metals	Precious metals are gold, silver, platinum, palladium, rhodium, iridium, ruthenium, and osmium, including all forms of the metals, such as salts, solutions, and alloys.
PROCEDURES:	
Purchase Request Review	<i>Purchase Requests (PRs)</i> involving precious metals must be reviewed by the BUS-4 Precious Metals Custodian (PMC) to determine if the required metal is available from the Laboratory's on-site stores inventory and that the requester is an authorized user of precious metals in the Laboratory's Signature Authority System (SAS).
In-Stock	If the BUS-4 PMC determines that the metal is in-stock, the procurement specialist must write a stock order using the precious metals account code and stock number. Delivery instructions shall include issuance to the requester.
Not In-Stock	DOE Precious Metals Pool — If the metal is not available from stock, the procurement specialist must determine whether the metal is available from the DOE Precious Metals Pool inventory by contacting Martin Marietta Energy Systems, Inc. If the metal is available from the DOE Precious Metals Pool, the procurement specialist must issue a subcontract for fabrication of the raw material. The subcontract must state that the precious metal must be withdrawn from the DOE Precious Metals Pool, and that the subcontractor is responsible for controlling and protecting the precious metal. In order to release the precious metal for fabrication, a key 2 subcontract

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PROCEDURES:
(*cont.*)

that includes an appropriate internal reimbursement note must be issued to Martin Marietta. A copy of the key 1 subcontract must be provided to Martin Marietta.

The address for the DOE Precious Metals Program is

Martin Marietta Energy Systems, Inc.
P.O. Box 2009
Bldg. 9113, M/S 8207
Oak Ridge, TN 37831

The phone number is (615) 574-3517.

Subcontract — If the metal is unavailable from the DOE Precious Metals Pool, the procurement specialist must procure the metal on the open market. A memo from Martin Marietta stating that the metal is unavailable must be attached to the subcontract file.

Scrap

Provision must be made to reclaim scrap from the fabrication process or after use of the fabricated item. Martin Marietta will credit the Laboratory for the value of the recovered material at the unit price initially charged, less refining and administrative costs. Unit prices are adjusted on a roughly semi-annual basis.

RESPONSIBILITIES:

**Procurement
Specialist**

The procurement specialist must ensure that

- The *PR* has been reviewed by the PMC;
- If stores inventory or the DOE Precious Metals Pool is used, appropriate documentation, authorizations, and account numbers are used to supply the metal to the fabricating subcontractor;
- The fabricating subcontractor is capable of controlling and protecting the metal; and
- Provision is made to reclaim scrap from the fabrication process or after use of the fabricated item.

BUS-4 PMC

The BUS-4 Precious Metals Custodian must

- Verify that the requester is an authorized user of precious metals in SAS; and

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RESPONSIBILITIES:
(*cont.*)

- Determine if the required metal is available from the Laboratory's on-site stores inventory.